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In the Supreme Court

OF THE

United States

OCTOBER TERM, 1990

THE ALLEN GROUP INC., d/b/a
THE G&O MANUFACTURING COMPANY,
Petitioner,

VS.

MODINE MANUFACTURING COMPANY,
Respondent.

On Petition for Writ of Certiorari
To the United States Court of Appeals
For the Federal Circuit

PETITIONER'S REPLY BRIEF

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PETITIONER'S REPLY BRIEF*

Respondent Modine appears to concede that obviousness is a question of law to be decided by the court according to the requirements of 35 U.S.C. section 103 ("section 103") and *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Opp., pp. i, 6-14. Modine appears also to concede that obviousness must be determined by comparing the relevant prior art with the subject matter claimed in the patent. *Id.*, pp. i, 4, 5, 10-14. Indeed, section 103 focuses on "the differences between the subject matter sought to be patented and the prior art," and *Graham* expressly mandates that the "differences between the prior art and the claims at issue are to be ascertained." 383 U.S. at 17.

* Petitioner's non-wholly owned subsidiaries are listed in the Petition (p. ii).

Modine is entirely incorrect, however, in stating that this mandate was obeyed in this case and is followed by the Federal Circuit generally. Opp., pp. i, 6-14. In fact, that mandate was disobeyed in this case precisely because, as the trial court observed, the law of the Federal Circuit requires that "secondary considerations *must*, when present, be considered *with* all the evidence in the determination of obviousness, and not just when a doubt remains after reviewing the prior art." Pet. Appendix, p. A-16 (emphasis added), citing *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538-39 (Fed.Cir. 1983).

Contrary to the mandate of *Graham*, neither the trial court nor the court of appeals ever ascertained any difference between the prior art and the claims at issue. The trial court found that "the relevant prior art includes aluminum radiators, heat exchangers in the nuclear industry . . . and repair techniques" (App., p. A-16), but never even identified, let alone analyzed, any differences between the prior art publications in those fields and the subject matter claimed in the '034 patent. Instead, the trial court merely deferred to the jury's verdict (App., pp. A-16 to A-17), which also failed to ascertain any such differences.[1]

Similarly, the court of appeals abdicated *its* duty to decide the legal question of obviousness, stating simply that *"reasonable jurors could conclude* that the differences between the prior art and the claimed invention were significant enough to render the invention nonobvious to one of ordinary skill in the art." App., p. A-3 (emphasis added). This statement does not "demonstrate[ ] that the *Federal Circuit* . . . first determined nonobviousness based on prior art. . . . " *See* Opp., p. 8. On the contrary, it demonstrates that the Federal Circuit deferred to the jury, even though the jury

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[1] Modine's assertion that Allen did not object to the trial court's instruction on obviousness (Opp., p. 10, n.5) is both erroneous and irrelevant. Allen petitions for certiorari on the ground that the court of appeals in this case "decided a federal question in a way that conflicts with applicable decisions of this Court." Sup.Ct.R. 10.1(c). That decision was consistent with, and followed from, the court of appeals' own erroneous precedents. Those precedents, so long as they are permitted to stand uncorrected by this Court, will continue to require trial judges to instruct juries as the trial court did in this case.

was never asked to reach—and never did reach—any "conclusion" based on the statutory criteria for obviousness, as distinct from the secondary considerations. *See* fn. 1, *supra*. The court of appeals also said: "Nor, given [the jury's implied] findings, was its conclusion on obviousness incorrect, even on *de novo* review." App., p. 3. The nature of this "*de novo* review" was not explained, but there is no indication that the court ascertained any differences between the prior art and the claimed invention, or that it separated the statutory criteria of obviousness from the secondary considerations.

This case epitomizes the doctrinal changes brought about by the Federal Circuit, and their tendency to prevent meaningful review of judgments and verdicts on obviousness. The heat exchanger joint construction claimed in the '034 patent was taught in two sets of prior art publications, one describing heat exchangers used in nuclear plants and space vehicles,[2] and the other describing techniques for repairing leaky joints in aluminum

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[2] The Patriarca articles taught the same joint construction claimed in the '034 patent. Pet., pp. 3-4. They described the "obvious" combination of welded tube-to-header joints and a sealant coating on the side opposite the weld. *Id.*, p. 3. There is no basis for Modine's assertion that the jury "found that there were significant differences between the [Patriarca] prior art and the invention of the '034 patent." Opp., p. 4. Neither the district court nor the court of appeals identified even one such difference, and the "differences" alleged by Modine are spurious. There is no meaningful distinction in this context between brazing and soldering; braze and solder are both metal alloys that produce structurally equivalent coatings and differ only in the temperature at which each melts. Pet., p. 3, n.2. The relevance of the Patriarca articles is not diminished by the fact that they describe heat exchangers having applications in nuclear power plants. Those heat exchangers also function as vehicular radiators (in space vehicles), and are indisputably relevant prior art. Pet., pp. 11-12; App. A-16. None of the other "differences" put forward by Modine affects the plain teaching of Patriarca: that it is "obvious" to weld joints on one side for strength and to coat them with a metal alloy on the other side to seal against leaks. Pet., pp. 11-12.

automotive radiators.[3] There was no issue as to the content of those articles.[4] The trial court found, and Modine does not dispute, that the articles are within the *scope* of the relevant art. Likewise, Modine does not contend that there was any factual dispute as to the third statutory criterion—the level of ordinary skill in the art. Under these circumstances, and "[a]gainst this background, the obviousness or nonobviousness of the subject matter [should have been] determined" by the court. *Graham v. John Deere Co., supra,* 383 U.S. at 17.

Nevertheless, the trial court followed Federal Circuit law in lumping commercial success and other secondary considerations together with the prior art, submitting all these factors to the jury, and then deferring to the jury's verdict. Modine compensated for its inability to identify any material difference between its "invention" and the prior art by emphasizing the commercial success of its product. Modine's pivotal reliance on secondary considerations is amply illustrated by its exaggerated claims regarding that

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[3] The three articles describing aluminum automotive radiator repairs independently taught the claimed invention. Contrary to Modine's denial (Opp., p. 5), those articles do teach that "loadbearing joints [that are] subject to formation of leakage openings" can be sealed with solder or other sealants which solidify to form an extensive sealant coating on the "outer surface" of the joint. *That teaching is the point of these articles describing how to repair leakage openings in radiator joints.* See Pet., p. 4. Modine's spurious argument that "repair" is different from "manufacture" is fully refuted in our petition. Pet., p. 12, n.14. Modine's argument that Mr. Weltman "was not believed by the jury" is unsupported and irrelevant: the plain statements of the three prior art publications were in no way dependent on the testimony of Mr. Weltman.

[4] Modine falsely asserts that these references had to be "interpreted" by expert witnesses, and that there was "plentiful evidence against [Allen's] interpretation" of them. Opp., p. 2. The articles are themselves prior art. Their content was, and remains, undisputed. Their disclosures required no "interpretation," and Modine cannot identify any issue as to their meaning or substance.

evidence in its brief in this Court.[5] Opp., p. 3. Those, of course, are the very factors that the Federal Circuit has elevated to primary criteria of patentability, in direct conflict with the decisions of this Court.

Modine denies that the Federal Circuit has deviated in any way from *Graham* in developing section 103 doctrine. Opp., pp. 10-14. To support its claim that Allen is "dead wrong," Modine offers selective readings of the first three of a long line of Federal Circuit cases on obviousness.[6] Modine's exegesis of those cases ignores what they plainly hold: that evidence of secondary considerations is often the *most* probative evidence on the issue of obviousness and *must* be considered in every case, even if the prior art shows the invention to be obvious. Pet., pp. 9-11.

In these and other cases, the Federal Circuit has redefined the section 103 standard to include secondary considerations as a mandatory fourth factor which must be considered in every case.[7]

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[5] In particular, Modine's claim of a long-felt need misrepresents the record. Modine's argument (Opp., p. 3) falsely implies a preexisting need for Mr. Saperstein's "million-mile" Beta-Weld radiator at the time he "invented" it in 1979. In fact, Mr. Saperstein and other Modine witnesses admitted at trial that there was not even a 500,000-mile truck in 1979 (Tr., pp. 1-108 to 1-109); that there was still not a million-mile truck at the time of trial in 1989 (Tr., p. 1-109); and that in the mid-1980's, the average life of heavy-duty trucks, just like the average life of conventional radiators, was only 100,000 to 200,000 miles (Tr., p. 9-1465). The Beta-Weld thus fulfilled Mr. Saperstein's 1979 prediction that his project would be "at the right place at the right time" (Pet., p. 15; quoting Joint App., p. 2687) and was, in the words of one Modine witness, "serendipitous" (Tr., p. 9-1457). The fortuitous development of a commercial demand for Modine's new radiator a few years *after* its development shows why commercial success often does not signify invention.

[6] *In re Sernaker*, 702 F.2d 989 (Fed.Cir. 1983); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed.Cir. 1983); *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540 (Fed.Cir. 1983), cert. denied, 469 U.S. 851 (1984).

[7] *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 1050 (Fed.Cir.), *cert. denied*, 488 U.S. 825 (1988); *Custom Accessories, Inc.*

The Federal Circuit has extolled such evidence as "the most probative and cogent evidence . . . [which] may often establish that an invention appearing to have been obvious was not."[8] The Federal Circuit has gone so far as to rebuke trial judges for following this Court's precedents, rather than the Federal Circuit's own.[9] Numerous scholars have criticized the Federal Circuit's subversion of *Graham* and subordination of the statutory criteria to the inferential evidence of secondary considerations. Pet., pp. 15-16 & n.20.

The doctrine of the Federal Circuit is a decided departure from the teachings of *Graham* and the other landmark authorities of

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v. Jeffrey-Allan Indus., 807 F.2d 955, 958 (Fed.Cir. 1986); *Simmons Fastener Corp. v. Illinois Tool Works*, 739 F.2d 1573, 1575 (Fed.Cir. 1984), cert. denied, 471 U.S. 1065 (1985).

[8] *Simmons Fastener Corp. v. Illinois Tool Works, supra* note 7, 739 F.2d at 1575, quoting *Stratoflex, Inc. v. Aeroquip Corp., supra*, 713 F.2d at 1538. In several cases cited in our petition (Pet., pp. 10-11), the Federal Circuit has held that nontechnical factors can confer patentability on an "invention" that would have been technically obvious from the prior art. *See, e.g., Alco Standard Corp. v. Tennessee Valley Auth.*, 808 F.2d 1490, 1499-1500 (Fed.Cir. 1986), cert. dismissed, 483 U.S. 1052 (1987).

[9] For example, in *Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281 (Fed.Cir. 1985), *cert. denied*, 475 U.S. 1017 (1986), the court rebuked and reversed the district court for ruling, on the basis of *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976) and *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147 (1950), that "the law was well established that commercial success alone, or considered in combination with other secondary considerations, is insufficient to establish patentability where primary indicia of patentability was lacking." 776 F.2d at 306 & n.43. Similarly, in *Fromson v. Advance Offset Plate, Inc.*, 755 F.2d 1549 (Fed.Cir. 1985), the court reversed a district court which had ruled, on the authority of *Anderson's Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969), that "if this Court determines from the first three factual inquiries that Fromson's patent is . . . obvious, secondary considerations cannot fill the gap." 755 F.2d at 1557. *See also* Merges, *Commercial Success and Patent Standards:* Economic Perspectives on Innovation, 76 Calif.L.Rev. 803, 819 & n.56 and cases cited there.

this Court. Contrary to Modine's assertion (Opp., p. 7), the *Graham* Court did not "emphasize[ ] the particular importance of these objective or secondary considerations." In fact, the *Graham* Court described these factors as "*secondary* considerations" which "focus attention on economic and motivational rather than technical issues." 383 U.S. at 17, 35-36 (emphasis added). These secondary considerations may have limited value as "legal inferences or subtests" which avoid difficult technical issues and focus instead on pedestrian facts that might indirectly, through a chain of inferences, bear on the obviousness issue. *Id.* at 35-36. Far from describing these factors as the *most* probative or cogent evidence on the issue of obviousness, this Court clearly indicated that their relevance is indirect or inferential, making them the *least* probative evidence on the issue of whether the differences between the claimed invention and the prior art would have rendered the invention obvious to a person of ordinary skill in the art.

The *Graham* Court predicted that there would be difficulties in applying the section 103 obviousness test, but stated its belief that "strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act." 383 U.S. at 18. Far from strictly observing the requirements of section 103, the Federal Circuit has subordinated them to nonstatutory, nontechnical considerations which have rendered the patent law uncertain and eventuated confused decisions in many cases such as this one. The issue of whether a patent is obvious has, for all intents and purposes, been made an unreviewable question of fact for juries rather than a question of law to be decided by the court.

CONCLUSION

We respectfully request that the petition for certiorari be granted.

Respectfully submitted,

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